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SUBJECT: BUSINESS SLOW TO ACT ON HIV/AIDS

SUMMARY

1. Zimbabwe has one of the highest HIV infection rates in the world but the private sector has done surprisingly little to help stem the spread of the disease. The sector only recently began actively supporting HIV initiatives in the workplace, in part because absenteeism and deaths had begun to affect profits. In September 2002, the National AIDS Council and local business leaders created the Zimbabwe Business Council on HIV/AIDS to coordinate private sector activities in HIV/AIDS care and prevention, but unless the economic situation in the country improves, the business sector's initiatives will most likely have limited success.
END SUMMARY.

PRIVATE SECTOR SLOW TO ACT

2. PolOff met with CEOs and Human Resource (HR) directors from four major companies (Unilever, Unifreight, Coca-Cola, and PG Industries), the Policy and Advocacy Manager of the Zimbabwe National Chamber of Commerce, the interim chairman of the Zimbabwe Business Council on HIV/AIDS, researchers at the Biomedical Research and Training Institute, the Executive Director of the National AIDS Council, and staff from Zimbabwe AIDS Prevention Services Organization and the Zimbabwe AIDS Prevention Project to discuss the sector's response to HIV/AIDS and the effects of the pandemic on business. The general consensus among our interlocutors was that the business sector has not done enough to curb the spread of the disease or to improve the quality of life for HIV-infected workers and their families. Over the last three to five years, however, business has shown more of a commitment to HIV programs. Unfortunately, the economic situation during the last three years limited business contribution and will most likely continue to constrain initiatives.

Majority of Chamber of Commerce Members No HIV Policy

3. On March 27, PolOff met with James Jowa, Policy and Advocacy Manager of the Zimbabwe National Chamber of Commerce (ZNCC) to get an overall picture of how the business sector has been addressing the HIV/AIDS issue. Jowa told PolOff that less than ten percent of the ZNCC membership has an HIV/AIDS workplace policy. Most small businesses, he said, do not even offer health insurance and think little about the health of their workers, particularly the unskilled ones, because of the high unemployment levels. The ZNCC has been trying to encourage businesses to adopt HIV policies and for the last three years has been giving an award to the company with the best HIV/AIDS policy.

4. Of those companies with HIV/AIDS policies, most are large multinationals with on-site clinics. The smaller, often indigenous companies usually cannot afford on-site clinics. Jowa said the ZNCC has proposed setting up clinics in industrial areas where several smaller-scale firms are located so the companies could pool their resources to run the clinics. Jowa also said that prior to the land redistribution exercise, many commercial farms had HIV/AIDS policies and on-site clinics but these have since closed, leaving the commercial farm workers and their families more vulnerable.

HIV/AIDS Advocacy Groups Spearhead Development of Workplace Policies

5. The developers of most business HIV policies are the NGOs Zimbabwe AIDS Prevention Project (ZAPP) and Zimbabwe AIDS Prevention Services Organization (ZAPSO). In the 11 years it has been in existence, ZAPP has helped more than 90 companies with HIV/AIDS policies while ZAPSO has helped more than 150 companies in 5 years. Both ZAPP and ZAPSO cited increased absenteeism (workers attending funerals or given long sick leave), health care costs, and funeral expenses as well as a loss of skilled personnel as the primary reasons businesses

have offered for wanting to set up HIV programs in the last two years. ZAPSO told PolOff that some health insurers urged their business clients to implement programs because the claims for HIV-related illnesses had increased dramatically.

16. Prior to 2001, many businesses felt HIV/AIDS would not affect profits; apparently thinking the disease would affect only blue collar, the more expendable, employees. In recent years, companies have noticed more mid- and senior level staff succumbing to AIDS. ZAPP recounted a story of a firm with about 30 employees which three years ago refused ZAPP's help in formulating an HIV plan because the company had had no deaths. In the last year, this same company has lost two people to AIDS and reported that 3 to 4 employees were not looking well.

New Business Initiative

17. Evaristo Marowa, Executive Director of the National AIDS Council (NAC) told PolOff that during the 1990s businesses were very resistant to implementing AIDS programs because most did not categorize AIDS as a threat to production equal to fuel, foreign exchange, and electricity shortages. He told us the reluctance has begun to change in the last year or so, particularly with the creation of the Zimbabwe Business Council on HIV/AIDS (ZBCA) in September 2002. ZBCA was created by both the NAC and a handful of private sector CEOs who felt the need to coordinate private sector efforts and bring them up to scale. These business leaders realized that HIV/AIDS was not only affecting their present work force but their future pool of labor and present and future consumer bases as well. The ZBCA is partly modeled after the Kenya HIV/AIDS Private Sector Business Council and Global Business Coalition on HIV/AIDS. Malcolm Hughes, Chairman of Unilever South East Africa and interim chair of the ZBCA, told PolOff that even though NAC helped create it, ZBCA would be a separate, independent organization.

(NOTE: Marowa told PolOff that in light of political leaders, reticence about publicly speaking about HIV/AIDS, the NAC was trying to catapult business and community leaders and advocates into the leadership position, hoping the movement can be as successful in affecting change as the Treatment Action Committee has been in South Africa. END NOTE)

18. Hughes, a white British expatriate, said he is probably not the most appropriate leader of ZBCA in the prevailing climate, so he has offered to act only as the interim chair until a permanent one is found. Hughes and the rest of the executive board (Colgate CEO, Davis Kanyama as vice-chair; Kadenge (sp) from the Zimbabwe Economic Society as Secretary; and Phipps Makipa of Standard Bank) hope to convince at least nine more companies to actively participate in the council. Each member must agree to attend two meetings per year, to commit their HR directors, and to make a small donation to get the project started. Among the ten or so companies, the executive board has approached, only one has refused to participate. Hughes envisions the council having workshops with HR directors; sharing best practices; supporting NGOs and other groups; and helping increase awareness within the community at large.

WIDE RANGE OF HIV/AIDS POLICIES

19. Prior to 1998 when the GOZ implemented Statutory Instrument 202 ensuring nondiscrimination because of HIV status, few companies had HIV/AIDS policies although, by that time, ZAPP had been working with 40 companies to set up peer education systems. The 1998 and 1999 legislation prohibited discrimination because of HIV/AIDS status and established guidelines for business to follow. It also set up an AIDS Levy--a 5-percent payroll tax now called the National AIDS Trust Fund--designed to help improve HIV/AIDS services. In addition to the AIDS Levy, the GOZ implemented the Labor Relations Amendment, which offered limited financial protection for employees. Under the amendment, an employee could not be dismissed because of a positive HIV status, and an employee was also entitled to six months of paid sick leave (three months at full pay and three months at half pay) before being forced to leave.

110. Beyond the bare bones policies, our interlocutors expressed interest in including a nutrition component, wellness programs (to include families), ARV treatment, and community education and outreach as a part of their coverage. Unfortunately, most companies have not been able to expand their health services because of the economic crisis griping the country. ZAPSO cited capacity constraints, such as not having enough HIV/AIDS policy specialists, as an impediment to helping more companies design AIDS policies. At least one company has managed to offer a nutrition component. Unilever offers a balanced lunch and dinner for a mere \$22 each. Unilever Chairman Malcolm Hughes said it was not worth it to even charge for the meal anymore because the cost of collecting the money far exceeds the price of the meals.

Company Policies

11. Unifreight, a British owned company offering long-haul freight transportation and luxury buses for hire within Zimbabwe, has had an HIV/AIDS policy in place for 15 years and is regarded as a leader in workplace HIV policies, at least for the transportation industry. PolOff met with Executive Director of Personnel and Training, Francis Masuku; the nurse in charge of the company's on-site clinic; and Mr. Gurugena, a human resource officer, on April 3. Unifreight's HIV/AIDS policy goes beyond the mandatory requirements stipulated in Statutory Instrument 202 of 1998 by encouraging family time and monogamous relationships by limiting the amount of shift work and time away from family. The policy also encourages top management involvement both in reviewing progress and monitoring compliance with the company's HIV policy and employees to report cases of sexual harassment. The company incorporates AIDS education into all its training sessions, including at the driving school. It also funds two drama groups in Bulawayo and Harare that perform plays on the causes of HIV/AIDS, care, counseling, and nutrition.

12. The transportation industry is in the process of hiring eleven outreach agents to work at border posts. They will communicate with truckers on AIDS awareness and distribute condoms and other materials and report back to the National AIDS Council, the national entity responsible for coordinating a national multisectoral response to the disease.

13. Geoffrey Magadza, the HR Director of PG Industries, a Zimbabwe based regional company involved in glass, timber, and building supplies, admitted that his company's HIV/AIDS policy is in its infancy and that the industry has not been as engaged as it should be. The policy thus far does not veer much from that required by law. The company also offers counseling sessions on HIV prevention to employees who are transferred to the offices in Mozambique, Malawi, and Zambia. PG Industries is one of ZAPSO's clients.

14. Unilever South East Africa, part of the international manufacturing company, has become increasingly committed to its HIV/AIDS policy in the last three years, according to Chairman Malcolm Hughes. Its counterpart in Kenya helped establish the Kenya HIV/AIDS Private Sector Business Council in 2000. Sherree Shereni, Regional External Affairs Manager of Coca-Cola Central Africa Region, told PolOff that all the bottlers in her region (Zimbabwe, Zambia, Malawi, Botswana, Lesotho, Angola, and Swaziland) are trying to set up ARV treatment programs for their employees and were in the process of improving the procurement and delivery systems. She said Coca-Cola has money to spend on HIV/AIDS programs and she asked PolOff for help in identifying some. (NOTE: Shereni seemed willing to discuss Coca-Cola's HIV policy and the effects of the disease on productivity but needed to check with her supervisor in London. Unfortunately, her supervisor's secretary said the supervisor was very tight-lipped and most likely would not approve Shereni discussing the issue externally. END NOTE.)

LIMITED INSURANCE COVERAGE FOR HIV

15. CIMAS Medical Aid Society, one of the main health insurance companies in Zimbabwe, plans to introduce, in July, a Chronic Disease Cover, which will pay for HIV treatment, according to local press reports. The plan is an add-on to traditional packages offered by CIMAS and is available to interested employers, at additional cost, who wish to enroll their employees. (NOTE: Embassy locally employed staff are covered under CIMAS and will be offered coverage--at Embassy/Agency expense--under the Chronic Disease Cover. CDC-Zimbabwe is working with CIMAS to help ensure that the HIV care component is of the highest quality. END NOTE.)

16. Geoffrey Magadza, HR Executive for PG Industries, told PolOff that the company provides good life insurance coverage but that senior management could opt to increase their coverage if they took an HIV test. Magadza said few people opted for the additional coverage.

HIV/AIDS EFFECT ON INDUSTRY

17. Industry representatives said HIV/AIDS has increased their labor costs through loss of person hours, loss of skills, the loss of potential, and absenteeism. The HR directors told PolOff that existing laws governing sick leave have increased costs associated with long-term illnesses. Under the law, workers are entitled to six months of paid sick leave, so employers often hire contract workers to substitute for these ill workers, thereby more than doubling wage costs. Malcolm Hughes from Unilever said his company offered very attractive retirement packages to its employees and encourage those with long-term illnesses to take advantage of them. This allows the company to fill the sick

employee's position with a permanent hire rather than a temporary, contract worker, thus reducing costs.

118. Industries with on-site clinics were keeping track of the health of their workers to help determine how AIDS is affecting their bottom line. At Unifreight, the personnel department, through the on-site clinics, compiles monthly reports on sick leave management, the types of illnesses, and lost days that affect the work force. The results of these reports indicate that deaths from AIDS-related illnesses within Unifreight fan across occupations from office managers to truck drivers. In 2002, truck drivers appeared to have a slightly higher incidence of AIDS-related deaths than other groups but not of the magnitude the literature on HIV and the transportation sector would suggest. Compared to the 2002 statistics, Unifreight is on pace to nearly double the number of deaths due to AIDS in 2003. In 2002 there were a total of 42 deaths (out of 2600 employees) but by the end of March 2003, the number was already at 15. (NOTE: The law prohibits employers from requiring employees to disclose their HIV status but based on the cause of death on the death certificates submitted for benefits, most of the deaths are from AIDS complications such as TB and pneumonia. END NOTE.)

119. ZAPP recently concluded discussions with several focus groups representing the informal and formal sectors to get an understanding of how HIV/AIDS is affecting workers. In general, workers were concerned that revealing an HIV-positive status would endanger their jobs, especially in the agriculture field. According to ZAPP, the workers did not feel the law against discrimination would protect them, preferring to work themselves to death than risk being fired. The high unemployment levels are a disincentive for (informal sector) employers to adopt any HIV policies because it is more profitable for them to fire the sick person and hire someone new. Informal sector employees were even more reluctant to disclose their HIV status or to ask for sick days because they are not covered under existing HIV legislation and have no job security.

120. PolOff spoke with three researchers, E. Dauya, Ronnie Matambo, and Liz Corbett from the Biomedical Research and Training Institute (BRTI), an institute affiliated with the University of Zimbabwe, about the effect of HIV/AIDS on the business sector. The project, funded by the U.K. based charity Wellcome, is designed to compare the efficacy of two VCT strategies at 22 factories in Harare, of which PG Industries is one. The strategies are providing HIV testing at work or giving vouchers to get off-site HIV testing at the USAID-sponsored, HIV Voluntary, Counseling and Testing (VCT) New Start Centers. Patients also receive general health care at the clinics as well as antibiotics (isoniazid for TB and cotrimoxazole for pneumonia) to treat opportunistic diseases associated with AIDS. The study will not be completed until July 2004, but preliminary results suggest that on-site testing is more successful. More than 55 percent of those offered on-site HIV testing accepted the offer and were tested as compared to five percent of those offered vouchers to get tested at a New Start Center. BRTI also found that 19 percent of the 4800 people tested were HIV positive and in companies that employed more women overall prevalence rates were higher.

121. ZAPP's project enjoyed similar successes with on-site HIV/AIDS facilities. ZAPP, which began as a collaborative research project between the University of Zimbabwe and Stanford University to establish the prevalence of HIV in workers, showed that having peer educators on-site was much better at reducing the incidence of new HIV cases than referring workers to off-site VCT centers. HIV-negative workers with on-site facilities were 34 percent less likely to become HIV-positive than workers without such facilities.

122. PG Industries' HR Director Magadza told PolOff that the collaboration with BRTI is mutually beneficial to all parties because not only is BRTI collecting data, but participating companies get to keep experienced, AIDS-infected workers in the work force longer, and the employees are improving their quality of life. Magadza said the company does not know how many of its employees are infected with HIV or how many have died from AIDS but hypothesized that one could deduce the latter from the cause of death on the death certificate. Magadza commented that since BRTI began its program, absenteeism has diminished somewhat.

CONCLUSION

123. The meetings with private sector representatives were both disconcerting and encouraging. It was troubling, for instance, to discover that after nearly 20 years of HIV/AIDS in Zimbabwe, the business sector, except for a few large companies, is only now mobilizing to address this disease effectively. If one believes in the Best Practices promoted by UNAIDS and other HIV/AIDS advocacy groups, then one must assume that without committed senior-level government

leadership, the business community's efforts will most likely fall short of their objectives. The companies seemed committed to fighting HIV/AIDS and seemed to want to do more for the community at large. However, they were all frustrated with the lack of leadership among senior government officials and saw that the economic environment and the dearth of foreign currency also constitute major obstacles to their efforts.

124. With between a quarter and one-third of adults in Zimbabwe HIV positive, the business sector faces an ominous task. Their desire to help workers with health care, including pharmaceuticals; introduce nutrition programs; conduct outreach programs to include and treat family members; and conduct community programs will demand more resources than are currently available in Zimbabwe. The deteriorating economic climate has made sustaining HIV/AIDS initiatives more difficult as many companies have eliminated non-essential programs, of which HIV care is one. The recent decision by CIMAS to expand coverage to include HIV/AIDS is a positive step, but depending on the conditions (mandatory testing, costs, etc.) of this additional coverage, may help only a limited number of people. It definitely will not help the 70 percent of the population that is not employed in the formal sector and, in some cases, it may exclude spouses and other family members of workers eligible for the benefits. The BRTI initiative, if successful and sustainable, may provide a better way to reach large numbers of workers in the delivery of HIV care. END COMMENT.
WHITEHEAD